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Testimony
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U.S. Department of State
Before the House Committee on Foreign Affairs'
Sub-Committee on Terrorism, Nonproliferation and Trade
Hearing on "Confronting Global Piracy"
June 15, 2011, 2:00PM

Chairman Royce, Ranking Member Sherman, Members of the Committee: I appreciate this opportunity to testify about the problem of piracy on the high seas and outline our approach to combat this scourge.

As you are aware, piracy off the coast of Somalia is a crime of growing global concern. Heavily-armed pirates board unarmed vessels and seize the ship, cargo and crew for ransom. The lives of innocent seafarers have been lost and crew members may be held hostage for many months, sometimes more than a year, in appalling conditions. The monetary total of ransoms demanded runs into hundreds of millions of dollars a year, with the total cost of piracy to the global economy estimated to be in the billions.

A vicious cycle has formed where ever-rising ransom payments have not just spurred additional pirate activity, but have also enabled pirates to increase their operational capabilities and sophistication. Piracy has gone from a fairly ad hoc disorganized criminal endeavor to a highly developed transnational criminal enterprise.

The number of pirate attacks has risen steadily since 2007. In 2010, Somali pirates captured over 1,000 sailors aboard 49 vessels. As of June 14, 400 seafarers were being held as hostages, and 18 hijacked ships were being held for ransom. Pirate attacks were highest in January and February of this year. The increase in the total number of attacks has been tragically accompanied by an increase in the level of violence against hostages, as displayed in brutal fashion by the killing of the four American Citizens aboard the sailing vessel QUEST in February.

Piracy has become more organized, more violent and has expanded to cover an increasingly large geographic area, from the southern Red Sea to the eastern Indian Ocean. Evolving tactics, such as the use of "motherships" -- hijacked ships used as floating bases from which to stage attacks hundreds of miles from the Somali coast -- and technology such as GPS, have extended the pirates' geographic range.

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Somali pirates now operate in a total sea space of approximately 2.5 million square nautical miles, an increase from approximately 1 million square nautical miles two years ago.

In response, the United States has taken the lead in pursuing a multilateral and multidimensional approach to combating piracy emanating from the coast of Somalia.

Piracy affects the international community as a whole and can only be effectively addressed through broad, coordinated, and comprehensive international efforts. The United States has, from the beginning, adopted a multilateral approach. In January 2009, we helped establish the Contact Group on Piracy off the Coast of Somalia (Contact Group), which now includes nearly 70 nations, international organizations, and maritime trade associations, to help coordinate national and international counter-piracy policies and actions. The Contact Group has proven effective in galvanizing action and harmonizing counter-piracy policy among participating countries and organizations, including the United Nations, NATO, and the European Union. There is immense international concern over piracy and an increasing willingness amongst affected nations to expand counter-piracy efforts and increase cooperation and collaboration with the United States.

With this multilateral framework in place, we have pursued a multi-dimensional approach that focuses on security – through the projection of military power to defend commercial and private vessels; prevention – through encouraging the private sector to adopt self-protection measures; and deterrence – through effective prosecution and incarceration.

Improving security on the seas has been a principal focus of our efforts. As pirate tactics have grown more sophisticated and aggressive, the international naval forces performing counter-piracy operations have responded in kind. U.S. naval forces have thwarted pirate attacks in-process, engaged pirate skiffs and “motherships,” and successfully taken back hijacked ships by opposed boardings.

The United States established Combined Task Force 151 -- a multinational task force charged with conducting counter-piracy naval patrols in the Gulf of Aden and off the eastern coast of Somalia, covering an area of more than one million square miles. In addition to this effort, there are a number of other coordinated multi-national naval patrols off the Horn of Africa. NATO is engaging in Operation Ocean Shield, the European Union has Operation ATALANTA, and other national navies in the area conduct counter-piracy patrols as well. On any

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given day up to 30 vessels from as many as 20 nations are engaged in counter-piracy operations in the region, including countries new to these kinds of efforts such as China, India and Japan.

U.S. Naval Forces Central Command (NAVCENT) has also worked with partners to set up a 463 mile-long corridor through the Gulf of Aden, called the Internationally Recommended Transit Corridor or IRTC for short. This transit zone for commercial shipping is heavily patrolled by naval forces and has been successful in reducing the number of attacks within the corridor. But it also has had the unfortunate side effect of pushing pirate activities elsewhere, outside of the corridor.

Naval operations are necessary but not sufficient for a comprehensive counter-piracy strategy. Given the immense area in which pirates operate, it is often impossible for naval forces to respond in time to stop an attack. There is just too much water to patrol.

That is why the United States has also focused on prevention, by encouraging commercial and private vessels to implement industry-developed “best management practices” – practical steps shipowners and seafarers can take to prevent pirate attacks from happening in the first place. These measures include steps like: proceeding at full speed through high risk areas; placing additional lookouts on watches; and employing physical barriers such as razor wire. More flag states are also allowing armed guards on merchant vessels. It is notable that no vessel with an armed security team embarked has been successfully hijacked.

It is also U.S. policy to discourage the payment of ransoms, and to seek to deny pirates the benefits of any ransoms which may be paid. Nevertheless, shipowners and operators, as well as concerned families, have continued to pay ransoms to free crewmembers and release ships. As more and larger ransoms have been paid, pirate demands have increased and the average ransom amount has roughly doubled in the last three years. We encourage flag states, shipowners and private parties involved in hostage crises to seek assistance from appropriate U.S. government sources in their crisis management procedures.

Lastly, to deter piracy, we have sought to expand prosecution and incarceration. When suspected pirates have been captured, and there has been sufficient evidence to support pursuing a prosecution, the United States has consistently advocated that they be tried, and incarcerated if convicted, by the states directly victimized by the attack, including the flag state or the state of nationality of the owner or crew. The

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United States has successfully prosecuted accused pirates in its federal courts and more pirates are currently on trial. Other coalition forces have followed America's lead in taking action when feasible to free pirated ships and rescue hostage crews, and transferred suspected pirates back to their capitals for prosecution.

Taken in concert, this multilateral and multi-dimensional approach seems to have led to a drop in successful of pirate attacks. The total number of successful attacks in March, April and May of this year was eight. This is still unacceptably high but is down significantly from the 27 successful attacks for the same three-month period in 2010. This is a small sample size so we do not know for sure if this signifies a turning of the tide or a brief aberration. But even if these figures do point to significant progress, given the significant financial incentives for piracy, pirates will likely attempt to further adapt their approaches.

We are seeing this already. Pirates are now adapting their tactics in response to the increased tempo and effectiveness of international naval operations. For example, pirates holding a merchant vessel agreed to release the ship's Indian crew after receiving a \$3.5 million ransom recently. Instead, the pirates released only eight of the 15 hostages and demanded India free 120 suspected pirates captured by the Indian navy earlier this year, vowing to hold onto any Indian nationals taken until then.

Since pirates are already adapting and expanding their efforts, we must as well. Expanded action is no doubt needed. Earlier this year, Secretary Clinton expressed impatience with the lack of progress against piracy and affirmed that more needed to be done to address this scourge. Following the Quest tragedy in February, Secretary Clinton directed an intensive review of our counter-piracy posture and approved a series of recommendations which we are seeking to implement.

The State Department's approach calls for continuing naval actions at sea, as well as exploring non-military options to target pirate leaders and organizers ashore. Our intention is to pursue innovative measures to maximize our diplomatic, judicial, economic, and developmental tools in order to disrupt the activities of the financiers, organizers and logistics suppliers of piracy. We are in the process of discussing our ideas for these new lines of action with our Interagency partners, with an eye to rapid implementation of agreed measures.

The focus ashore is essential, as piracy has evolved into an organized transnational criminal enterprise conducted for profit. It is increasingly clear that the arrest and prosecution of pirates captured at sea – often the low-level operatives involved in

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piracy – is insufficient, on its own, to meet our longer term counter-piracy goals. To maintain the momentum and space for action gained by naval operations, we have begun an effort to identify ways to disrupt these criminal networks and to determine the means to dismantle their supporting financial networks.

We intend to work with our international partners in the coming months to go after the smaller number of criminal conspirators who provide the leadership and financial management of the pirate enterprise, with the objective of bringing them to trial. The United States recently indicted and apprehended two alleged Somali pirate negotiators for their respective leadership roles in the attack on the QUEST and on a Danish vessel carrying U.S.-owned cargo.

Tracking financial flows provides an expanded understanding of the networks of leaders, organizers and financiers behind piracy and is critical to interrupting pirate business processes. With the application of mapping techniques developed in recent years, we believe that we can gradually build a good understanding of the networks that organize, finance, and profit from piracy. Pirate leaders and facilitators receive income both from investors and ransom payments, and disburse a portion of the proceeds of ransoms back to their investors and to the pirates who actually hijack the ships and hold the crews hostage.

We are working with international partners to connect law enforcement communities, intelligence agencies, financial experts to promote information sharing and develop actionable information against pirate conspirators for prosecution and to stimulate additional intelligence collection on their networks. This effort includes identifying pirate leaders, tracking their sources of financing and supplies such as fuel, outboard motors and weapons, disrupting those support networks, and ensuring these leaders and facilitators of piracy are known to law enforcement officials in every country in which they do business.

This effort demands effective international cooperation. We are working with the international community to ensure that law enforcement and intelligence agencies tasked with counter-piracy responsibilities can collect, analyze, and share operational and financial information. Law enforcement officials must be able to share information gathered in the course of criminal investigations with intelligence officials to stimulate additional collection. Targeting financing may also involve adopting national legislation where necessary to criminalize the ways that conspirators are involved in piracy, including by using anti-conspiracy laws and laws that criminalize the financing of crime. It also demands prosecuting pirate

organizers, financiers, and facilitators, as well as lower-level pirates, in national courts.

Disrupting piracy financial flows has been a topic of discussion in the Contact Group since its creation. On March 1, 2011, the United States hosted the first Ad Hoc Meeting on the financial aspects of piracy off the coast of Somalia to discuss mechanisms by which the international community could undertake to address this aspect of Somali piracy. The Government of Italy has agreed to chair an informal working group to develop actionable projects to disrupt pirate financial flows, and a small group of like-minded countries (“Core Group”) met in Rome just last week on June 8 to develop initiatives to be taken on the issue. The Republic of South Korea will convene a second Ad Hoc Meeting in Seoul on June 29 to expand on and formalize the work begun in the Core Group, and to lay the groundwork for its adoption and approval at the 9th Plenary Meeting of the Contact Group on July 14. This international effort will complement existing channels and frameworks for international law enforcement cooperation, including mutual legal assistance and extradition treaties, to expand and improve international counter-piracy efforts.

Additionally, an important element of our recalibrated counter-piracy approach involves renewed emphasis on enhancing the capacity of the international community, and particularly states in the region, to prosecute and incarcerate suspected pirates. Too often pirates are simply released because of a lack of capacity to prosecute or incarcerate. The United States supports a comprehensive approach that addresses concerns about incarceration and repatriation by:

- increasing prison capacity in Somalia;
- developing frameworks for prisoner transfers to provide for the controlled transfer of convicted pirates back to Somalia to serve their sentences in their home country;
- and by working to establish a specialized piracy chamber in the national courts of one or more regional states.

The Republic of Seychelles, which is actively prosecuting pirates but has limited prison capacity, has concluded prisoner transfer arrangements with Somalia’s Transitional Federal Government, as well as Puntland and Somaliland authorities. This framework provides a model that could potentially be replicated by other prosecuting states.

At the same time, we are continuing to encourage states to undertake their national responsibility to apprehend, prosecute and incarcerate pirates, as we have done.

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The United States is currently prosecuting 28 individuals involved in attacks on U.S. vessels or cargo, including 15 defendants accused in connection with the attack on the S/V QUEST. Recently, ten of those 15 defendants pled guilty to piracy and other crimes and now face up to life in prison. These U.S. prosecutions are among the more than 1,000 pirates in custody in more than 18 countries where national prosecutions are taking place. Sadly, the supply of young men willing to attempt piracy is very large, and the capacity of the international community to absorb those captured into their judicial and penal systems must continue to expand.

Finally, combating piracy emanating from a failed state will require concentrated and coordinated assistance to states in the region – including those parts of Somali society with which we can work – to build their capacity to deal with the social, legal, economic and operational challenges to effective law enforcement. As part of our Dual Track approach to Somalia, we are expanding our engagement with regional authorities in Somalia, including Somaliland, Puntland, Galmudug, so as to achieve a greater direct impact on Somali society. Realistically, there will be no end to piracy at sea until there is some degree of political stability and economic recovery ashore in Somalia, including local governmental authorities with the ability to enforce law and order both on land and at sea. We believe supporting the re-establishment of stability and adequate governance in Somalia represents the only sustainable long-term solution to piracy.

However, acknowledging the difficult situation ashore does not preclude progress at sea. Through the State Department's new strategic approach, significant progress can be made to degrade the ability of pirates to conduct attacks and threaten vital shipping lanes. We should have no illusions: there is no simple solution to modern-day piracy off the Horn of Africa. But through the shared commitment of the United States and the international community there is much we can do in the months and years ahead to achieve progress against this growing challenge.